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SUBJECT: SEECF FOREIGN MINISTERS: REGIONAL COOPERATION AND
TRANSITION TO REGIONAL COOPERATION COUNCIL FULLY ON TRACK

Ref: Zagreb 00427

Summary

1. (SBU) Meeting on September 14, SEECF Foreign Ministers and UNMIK/SRSG renewed their commitment to an operational regional cooperation agenda, building on the future Regional Cooperation Council (RCC) and its secretariat in Sarajevo. There was a familiar discussion of Kosovo, with the group agreeing on the need for the SEECF and Contact Group troikas to dialogue on the region's concerns about Kosovo status issues. By signing the RCC headquarters agreement, the Ministers and UNMIK/SRSG set in motion the process of formally opening the RCC office in Sarajevo on October 10 and allowing initial staffing the Secretariat as of January 1, 2008. There was a consensus to push meaningful regional cooperation on disaster preparedness and response in view of the past summer's destructive wildfires and the heavy flooding of 2006. NATO's importance to the region was also highlighted as Adriatic-3 FMs all spoke expectantly of NATO membership invitations at the NATO summit in Bucharest in April. The group opted to leave the question of possible observer status for Ukraine in a study mode. Stability Pact Special Coordinator Busek and his team received uniform praise for the effectiveness of the Pact's work to ensure a smooth transition to the regionally led RCC framework. Although not discussed openly, Ministers remain concerned that, after Bulgaria's active SEECF Cio year (para 12 below), incoming 2008 Cio Moldova, which lacks clear EU and NATO accession perspectives, may do less well in sustaining the regional cooperation momentum generated by the Stability Pact-RCC transition process. Looking ahead, for their parts, Busek and RCC Secretary General Biscevic will be seeking to visit Washington in

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January to brief on the transition and the future program of the RCC.
End Summary.

A Meeting on the Move

2. (SBU) The Ministers and UNMIK SRSG Ruecker and guests met on the former Bulgarian royal train as it made its way from Sofia to Plovdiv where the seat agreement signing took place. The meeting consensus: that the regional cooperation agenda, like the royal train, was very much on track. The meeting was preceded on September 13 by a meeting of SEECF Political Directors, joined with representatives of the Stability Pact, the EU Presidency, the European Commission, and Slovenia (as incoming EU President).

FMs: Interest in Dialogue with Contact Group, Coordination on Disaster Response

3. (SBU) Discussion was largely routine. Bulgarian FM Kalfin opened the exchange with a focus on Kosovo. He reported on his September 13 meeting with EU troika rep Ischinger, who committed to brief the SEECF troika on Kosovo developments during the UNGA in New York. On the Stability Pact-RCC transition, Kalfin led what became a steady

chorus of appreciative statements of the work accomplished by SP Special Coordinator Busek and the new RCC SecGen Biscevic. Croatian FM Grabar-Kitarovic argued for regional coordination on disaster response management as a common SEECP project, without making specific reference to Croatian PM Sanader's August letter to EC President Barroso proposing such a center be established in Croatia. Completing the SEECP Troika interventions, Moldovan FM Stratan pointed to political dialogue and regional cooperation as upcoming Moldovan SEECP CiO themes. He welcomed EU involvement and support given that it enhanced regional cooperation possibilities.

14. (SBU) Beginning his remarks with a weak Hercules Poirot Orient Express joke, BiH FM Alkalaj argued that having the RCC secretariat in Sarajevo would help the reform process in BiH. He pointed to the common interest in addressing disaster response planning as evidence that the region was not divided. Alkalaj invited FMs to join him on October 10 for the opening of the RCC Secretariat office in Sarajevo. Acknowledging the impasse over crucial reforms in BiH, Alkalaj said that OHR Lajcak would need to step in to break the deadlocks. Albanian FM Basha spoke positively of Albanian relationships with the EU and NATO. He offered support for the creation of a regional fire response center and highlighted the meeting of the Stability Pact working tables in Tirana on December 3-4. Speaking strongly in favor of the Ahtisaari plan for Kosovo, Basha did not raise issues regarding the seat agreement text, as did his PolDir in the previous day's meeting (para 11 below).

15. (SBU) Given strong Macedonian interest in seeing progress in developing Corridor VIII (Black Sea to Adriatic) infrastructure, FM Milosovski expressed the hope for a future ride on a Sofia-Skopje train (there is still no through track on the route). He welcomed RCC priorities but emphasized Macedonian interest in transportation infrastructure, energy and justice and home affairs as SEECP and RCC action areas. Milosovski weighed in with a statement of support for the Ahtisaari plan for Kosovo. Serbian Assistant Minister Delevic underscored Serbia's quick progress on SAA negotiations and welcomed the prospect on September 18 of a visa facilitation agreement with

SOFIA 00001185 002 OF 004

the EU. An adverse resolution of the Kosovo status issue would be an extreme development for Serbia and the region and prejudging the outcome of status talks and the establishment of deadlines did not help. Endorsing the RCC lead priorities, Delevic added a focus on refugee returns, mentioning the (moribund) Sarajevo declaration of January 2005 as in need of revival.

16. (SBU) UNMIK/SRSG Ruecker's remarks focused on the need to ensure that Kosovo was fully part of the SEECP process. He expressed appreciation for Kosovo's inclusion in major energy and regional trade accords, and noted that this helped to underpin progress and reform within Kosovo. Further progress was needed, particularly with regard to IDPs. The Ahtisaari plan was a solid basis for the way forward after eight long years of uncertainty. There was a need for prudent planning for mid-December and the period to follow. Ruecker briefed on preparations for local elections in Kosovo, arguing the strong need for the elections to buttress local government legitimacy given the political dynamics over the period since the previous elections. Kosovo Serb participation was important and he urged the Belgrade leadership to support such participation.

17. (SBU) Ministers were perhaps most attentive when EU Enlargement Deputy DG Truszczyński spoke. Firmly critical of Bosnia-Herzegovina, Truszczyński asserted that the EC wanted to see BiH fully on track and that there should be a BiH political agreement by the end of September to enable the SAA to be concluded. More generally, he said that further enlargement in the region was an issue for the medium to long-term. With that in mind, the European Commission was adjusting its support instruments and focusing on key priority areas. He noted the November 6 date for the next EC progress assessments. He argued that the EU's interest was in seeing results from Belgrade-Pristina talks and that otherwise it would be hard to see progress on regional cooperation. The EU would spare no effort to achieve a positive outcome for Kosovo within the regional cooperation scheme and he reiterated the EC position that Kosovo must be fully integrated into regional cooperation. Thanking Stability Pact Special Coordinator Busek for his contribution, Truszczyński stressed that the Commission

was looking to the RCC and Secretariat to become a solid interlocutor on regional cooperation issues and programs. EC priorities (within the Instrument for Pre-Accession program) closely matched those of the RCC. He challenged the Ministers and RCC SG Biscevic to work together to develop specific projects, and emphasized that disaster response could be good place to start given that the EC was beginning to stand up its own EU disaster monitoring unit.

18. (SBU) EU Presidency Rep Tãnger of Portugal spoke positively of progress in the region with respect to EU integration. The exception was Bosnia-Herzegovina, with Tãnger highlighting the government's failure to achieve police and constitutional reform. He praised Macedonia as doing an excellent job and confirmed that Serbia had completed the technical aspects of the SAA negotiations with only the signing process remaining.

19. (SBU) Completing the round of Ministerial statements, Greek Political Director Christides highlighted the Greek proposed Regional Development Center in Thessaloniki as a private sector focused support to the RCC economic agenda. New Turkish FM Babacan pointed to the Ahtisaari report as the basis for moving forward on Kosovo. He said that Turkey would try to be helpful via its links to both Belgrade and Pristina, and that Turkey was supportive of Serbia's EU and Euro-Atlantic integration. Romanian State Secretary Buga endorsed the consensus in favor of the region's EU and Euro-Atlantic integration, but reiterated Romania's familiar position on Kosovo status. Montenegrin FM Roœen had little to say, other than to express appreciation for the support for Montenegro's entry into the SEECP last May.

10. (SBU) As regional participants, Busek and Biscevic concentrated on current tasks and future challenges, respectively. Busek recapped the upcoming intense series of Ministerial Meetings on SP initiatives (CEFTA, Employment, Education, and Information Society) as well as meetings on Justice and Home Affairs, defense reform (RACVIAC) and disaster management. On the latter, he pointed to his earlier letter to regional Prime Ministers and pressed hard for clear and decisive action to replace the desultory attitudes of regional governments in the past. For his part, and concluding the session, Biscevic outlined the RCC Secretariat budget (three million euros annually) and staff (26 in Sarajevo and five in the Brussels liaison office). He explained the timetable for hiring personnel and for completing the legalities of formally establishing the Sarajevo and Brussels office. The latter will take some months given cumbersome Belgian government procedures, but could move quicker given Belgian helpfulness.

Political Directors Validate Stability Pact-RCC transition, Endure Albanian Clumsiness

11. (SBU) The September 13 session of SEECP Political Directors focused on the Stability Pact-RCC transition and the Bulgarian SEECP CiO program of meetings and its linkages to the range of Stability

SOFIA 00001185 003 OF 004

Pact regional initiatives. The sole discordant note was struck by the Albanian delegation which, as it had done in the most recent PolDir and FM meetings, clumsily raised issues related to Kosovo status. This most recent case was perhaps the most vexing, with the Albanians demanding the deletion from the title of the RCC seat agreement of a UNSCR 1244 reference to UNMIK, despite the text's consistency on the matter and the fact that all other delegations had already submitted the agreement (and title page) for government or parliamentary ratification. A stern reprimand from the Bulgarian chair left the Albanians to seek Tirana guidance and the issue faded the next day when Albanian FM Basha signed the seat agreement uneventfully with the other Ministers.

Bulgarian SEECP Agenda: Helpful to the Stability Pact/RCC Transition

12. (U) Discussion of the Bulgarian CiO program of meetings underscored the particular importance of meetings scheduled for the initial months after the operational opening of the RCC secretary in late February. Stability Pact Deputy Special Coordinator Mozur

emphasized the need for the SEECP and the RCC secretariat to ensure successful meetings of SEECP Ministers of Environment and of Civil Defense/Disaster Management in March and of Defense in April. On the latter, he stressed the need for SEECP MoDs to highlight the regional cooperation dimension and to work to gain the recognition and support of NATO and the Bucharest Summit for stepping up the regional agenda in the defense area.

¶13. (U) The Bulgarian SEECP program encompasses an active series of meetings through mid-2008, when its CiO term concludes:

- * July-November: Various events organized by the Ministry of Regional Development and Public Works, focusing on infrastructure projects in the region;

- * October: Joint Meeting with the Central European Initiative (CEI) Ministers for Transport and SEECP Ministers for Transport organized by the Bulgarian CEI Presidency and with the participation of the Bulgarian SEECP CiO;

- * December: Meeting of the SEECP Political Directors Committee and Seminar on regional cooperation and possible synergy between the SEECP, Organization of the Black Sea Economic Cooperation (BSEC), RCC, CEI, the Danube Cooperation Process with the participation representatives of the Stability Pact, European Commission and non-governmental organizations;

- * 2008 (dates tbc): Meetings in the field of Justice and Home Affairs and on parliamentary cooperation

- * February 2008: Meeting of the SEECP Ministers for Foreign Affairs (and Poldirs) in cooperation with the Slovenian EU Presidency, back-to-back with the first meeting of the RCC and the final meeting of the Regional Table of the Stability Pact;

- * February: Round Table of the SEECP Ministers for Tourism/Presidents of Agency for Tourism, organized by the Bulgarian State Agency for Tourism

- * March: Meeting of the SEECP Ministers for Environment;

- * March-April: Meeting of the SEECP Speakers of Parliament

- * Meeting of the SEECP Ministers for Defense

- * April: Spring Meeting of the Stability Pact Disaster Prevention and Preparedness Initiative (DPPI);

- * April: Conference, organized by the Ministry of Foreign Affairs, Ministry of Education and Science and Ministry of Culture, in cooperation with the Bulgarian Balkan Political Club, focused on building human capital and implementation of new technologies together with the contribution of education, research, business and public administration;

- * May: Meeting of Heads of State and Government, preceded by meetings of Ministers of Foreign Affairs and Poldirs

- * June 2008: 16th Meeting of the SEE Health Network

Comment: Regional Framework Strengthening; Busek-Biscevic Washington Visit

14: (SBU) The message from the Foreign Ministers meeting was positive, a message of a region moving forward, like the venue itself. Kosovo cast its certain shadow as always. But the basic work of bringing the region closer together, including via the Stability Pact transition to the regionally owned and led RCC, is continuing and with excellent prospects for success and thus real impact for the good of the region's development and stability. For his part, appointed RCC Secretary General Biscevic, who will continue

SOFIA 00001185 004 OF 004

as Croatian MFA State Secretary through the late November elections in Croatia, is making his presence and leadership felt in the preparations for establishing the RCC and its Secretariat operation.

He has worked closely with the Stability Pact team and demonstrated flexibility and understanding for the need for a transparent and competitive approach to hiring Secretariat staff. But he has also begun to set out his vision and priorities, with economic development and notably infrastructure heading the list.

¶15. (SBU) Looking ahead, several issues will need Washington attention. First, as part of their relationship building with key RCC partners, Busek and Biscevic will be looking to make a joint visit to Washington, with January the notional target. They are hoping for a program to include the senior level at State and USAID, and possibly at Defense, in addition to calls on the Hill, with the World Bank and think tanks. Within the regional cooperation agenda, there will be interest in achieving recognition of the RCC - and its relevant defense reform activities -- within the NATO summit declaration. Here, NATO international staff in Brussels is supportive, viewing the existing Stability Pact initiatives as a valuable contribution to the overall defense reform process in the region. Lastly, and more operationally, it would be helpful to the establishment of the RCC secretariat if the US financial commitment could be disbursed soon after the required RCC administrative arrangements are in place. End Comment.

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